洛阳玻璃股份有限公司

LUOYANG GLASS COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1108)

Announcement in relation to the Development after the Delivery of Judgments of the Arbitration Proceedings in respect of the Company's Receivables

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**SEHK**").

Luoyang Glass Company Limited (the "**Company**") and all members of the board (the "**Board**") of directors (the "**Directors**") of the Company hereby warrant the truth, accuracy and completeness of the contents in this announcement, and accept joint responsibilities for any false information, misleading statements or material omission in this announcement.

Reference is made to the announcements of the Company dated 3 November 2006, 8 November 2006 and 20 November 2006 respectively.

Since the respondents, China Luoyang Float Glass (Group) Company Limited ("**CLFG**") and its relevant associated companies did not perform their obligations under the judgments of the arbitration proceedings after they came into effect, the amount payable to the applicant (i.e. the Company) is overdue and has not yet been paid to the applicant. The Company therefore applied to the Intermediate People's Court of Luoyang for compulsory enforcement of the judgments.

On 22 November 2006, the Intermediate People's Court of Luoyang accepted the application of the Company.

On 25 November 2006, the Intermediate People's Court of Luoyang made the following judgment:

"To discharge the freezing of 379,000,000 A shares of the Company held by CLFG imposed by this court. This judgment becomes legally enforceable upon its delivery."

On 30 November 2006, the Intermediate People's Court of Luoyang made the following judgment:

"199,981,758 restricted circulating A shares of the Company (Stock name: Luoyang Glass, Stock code: 600876) held by CLFG (B881086037) (Unit price per share is RMB3.15 and the total price is RMB629,942,542.83) will be (by way of using assets to repay debt) used to offset the debt and the interest thereof in the total sum of RMB629,942,542.83 owed to the Company by CLFG, and the above 199,981,758 shares will be cancelled from the account of CLFG and relevant registration procedure for such cancellation will be carried out. This judgment becomes legally enforceable upon its delivery."

According to the judgment (2007) [Luo Zhi Zi No.18-1] of the Intermediate People's Court of Luoyang, Henan Province, 379,000,000 A shares of the Company held by CLFG were discharged from freezing on 4 December 2006.

According to the judgment (2007) [Luo Zhi Zi No.18-32] of the Intermediate People's Court of Luoyang, Henan Province, on 6 December 2006, 199,981,758 A shares of the Company held by CLFG were compulsorily cancelled. As such, the debt owed by CLFG and its relevant associated companies to the Company has been fully settled. The shareholding structure of the Company after the cancellation of portion of shares is changed as follows:

Item	Before this change		Increase (+) / Decrease (-) in this change (shares)	After this change	
	Number (shares)	**Percentage**	**Cancellation**	**Number (shares)**	**Percentage**
I. Restricted circulating shares	379,000,000	54.14%	-199,981,758	179,018,242	35.80%
1. State-owned shares	0	0	0	0	0
2. State-owned corporation shares	379,000,000	54.14%	-199,981,758	179,018,242	35.80%
3. Other domestic shares	0	0	0	0	0
Including: shares held by domestic corporation	0	0	0	0	0
shares held by domestic individuals	0	0	0	0	0
4. Foreign invested shares	0	0	0	0	0
Including: shares held by overseas corporation	0	0	0	0	0
shares held by overseas individuals	0	0	0	0	0
II. Non-restricted circulating shares	71,000,000	10.14%	0	71,000,000	14.20%
1. Ordinary domestic shares	71,000,000	10.14%	0	71,000,000	14.20%
2. Domestically listed foreign invested shares	0	0	0	0	0
3. Overseas listed foreign invested shares	250,000,000	35.72%	0	250,000,000	50%
4. Others	0	0	0	0	0
III. Total shares	700,000,000	100%	-199,981,758	500,018,242	100%

Trading in the H shares of the Company on the SEHK has been suspended since 31 October 2006 and will remain suspended pending release of further announcements by the Company relating to the recoverability of the Company's receivables from CLFG and its associated companies.

By order of the Board
Liu Baoying
Chairman

Luoyang, the PRC
6 December 2006

As at the date hereof, the Board comprises six executive Directors: Mr. Liu Baoying, Mr. Zhu Leibo, Mr. Zhang Shaojie, Mr. Zhu Liuxin, Mr. Jiang Hong and Mr. Ding Jianluo, and four independent non-executive Directors: Mr. Zhang Zhanying, Mr. Guo Aimin, Mr. Xi Shengyang and Mr. Dong Chao.

Please also refer to the published version of this announcement in The Standard / Sing Tao Daily.